

RESOLUTION

WHEREAS, by Resolutions adopted October 19, 1993 and July 16, 1985 the Colorado River Water Conservation District created and maintained a fund for the construction of a water project now known as "Wolford Mountain Reservoir Project," constituting a dam and reservoir on Muddy Creek near Kremmling; and

WHEREAS, in connection therewith, by those Resolutions and by Resolutions adopted January 17, 1995, July 18, 1995, and October 19, 1999, and by other acts the District has developed, owned and conducted a business engaged in "water activities" as defined in § 37-45.1-101, et seq., C.R.S. (the "Water Activity Enterprise Act"); and

WHEREAS, the District intends that its water project enterprise will engage in water activities to provide or facilitate beneficial use of water within the District through Wolford Mountain Reservoir Project, Eagle Park Reservoir Project, and other projects; and

WHEREAS, the operation and revenue of Wolford Mountain Reservoir Project can and should be integrated with other existing and planned projects such as the Eagle Park Reservoir Project and Ruedi Reservoir water supplies to facilitate the success of all of those projects; and

WHEREAS, based upon the foregoing determinations and reasons the District's Board of Directors has determined that it is appropriate and desirable to reconfirm and to further and better define the purposes and authorities of the District's water activity enterprise;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado River Water Conservation District:

1. The water projects and water activities previously developed, pursued and maintained to supply water for beneficial use and certain of those projects planned or developed for that purpose in the future by the District, including the Wolford Mountain Reservoir Project, Eagle Park Reservoir Project, and Ruedi Reservoir water supply contracts, are hereby reconfirmed, reauthorized, and re-established as a water activity enterprise as defined and authorized by Colorado law and in accordance with the following statement of purposes and authorities of the water activity enterprise of the Colorado River Water Conservation District:

- a. Name and Nature. The water activity enterprise of the Colorado River Water Conservation District shall be identified, known and referred to as the "Colorado River Water Projects Enterprise," and herein as the "Enterprise," and it constitutes a business owned and managed by the District.
- b. General Purposes and Authorities.
 - (1) The Enterprise shall engage in water activities as defined in and pursuant to § 37-45.1-101, et seq., C.R.S. (the Water Activity Enterprise Act), § 37-46-101, et seq., C.R.S. (the River District Organic Act), and all laws supplementary thereto and complementary thereof regarding water activity projects meeting one or more of the following criteria:

- A. The District has a contractual or an ownership interest, or is actively seeking to acquire such an interest, in project facilities entitling the District to provide water for beneficial use;
 - B. The District has acquired, or has initiated the process(es) to acquire, governmental permits for construction and/or operation of project facilities to provide water for beneficial use; or
 - C. The District has identified the project as a candidate for confirmation or refinement of construction and operation feasibility and for elevation to criterion (B) and/or (A) above.
- (2) In engaging in those activities in regard to such projects, the Enterprise shall exercise the legal authority of the District relating to "water activities" as defined in the Water Activity Enterprise Act.
- (3) The Enterprise shall not exercise any of the District's taxing authorities and shall not receive or expend tax revenues in excess of amounts lawfully granted to the Enterprise which amounts, together with any other state and local government grants received by the Enterprise, shall total less than ten percent (10%) of annual Enterprise revenues.
- c. Illustrative Functions. By way of illustration but not limitation, in fulfilling its purposes and exercising its authorities, the Enterprise may:
 - (1) acquire, construct, operate, maintain, repair, and replace water projects or facilities and acquire all related and necessary water rights and conditional water rights for both direct flow and storage, and real and personal property and services;
 - (2) provide water supplies and water service from its projects and facilities or from sources available to it by contract, agreement, lease or other legal relationship, including water available from private and public water projects and facilities;
 - (3) issue or reissue bonds in accordance with applicable laws;
 - (4) do all things necessary and proper under law to develop, implement, protect and defend the interests and assets of the Enterprise; and
 - (5) maintain and operate Woldford Mountain Reservoir, and coordinate the operation of the Enterprise's Woldford Mountain Reservoir Project and Eagle Park Reservoir Project interests with other projects.

2. The Enterprise shall continue to be maintained and operated as an "enterprise" as defined and recognized in Section 20, Article X, of the Colorado Constitution and as "water activity enterprise" as defined in the Water Activity Enterprise Act as presently enacted or as hereafter amended.

- a. The Enterprise as so maintained and operated shall be entitled to exercise all powers, authorities, rights, and responsibilities exercisable by it in accordance with the foregoing statement of purposes and authorities.
- b. The Board of Directors of the District shall be and constitute the governing body of the Enterprise subject to and in conformance with the District's organic statute, § 37-46-101, et seq., C.R.S., and the District's Bylaws.
- c. The District shall make its contracts and agreements regarding Enterprise activities and business as "The Colorado River Water Conservation District acting by and through its Colorado River Water Projects Enterprise." Provided, however, that the failure of any such document to include the full name of the Enterprise shall not invalidate the legal effectiveness thereof.
- d. The District's secretary/general manager and staff, and its attorneys, agents, and accountants are directed to implement and maintain accounting, contracting and budgeting procedures for the Enterprise, in accordance with generally accepted principles and practices, which are necessary and proper to maintain and operate the Enterprise in the manner resolved herein.

3. To the extent permitted by legal and accounting principles and requirements, Enterprise expenditures for the acquisition and development of specific project water rights, facilities, property interests, permits, and other assets of any category shall be credited toward any value which is transferred from the Enterprise to the District's general operating fund or capital fund to acquire that specific asset from the District for Enterprise purposes.

4. This Resolution subsumes and supercedes the prior Resolutions, Motions, and other Board actions concerning the Enterprise. The prior actions of the District's Board of Directors enacting Bylaws and establishing Committees for the governance of the Enterprise are hereby ratified and confirmed.

Adopted this 17th day of October 2000.

Paul J. Ohri
President

ATTEST:

Richard Eric Kuhn
Secretary/General Manager